## **REMARKS**

The Office Action mailed June 6, 2005 has been received and its contents carefully considered. Reconsideration and withdrawal of the outstanding rejections respectively requested in view of the foregoing amendments and the following remarks.

Claims 15 and 17-20 were rejected as being anticipated by Dillman. Claim 16 was rejected as being unpatentable over Dillman in view of Harris. These rejections are respectively traversed for the following reasons.

Without conceding the propriety of the rejection to independent claim 15, this claim has been amended. In particular, the details regarding the first and second heat exchangers have been recited. Further, claim 15 recites that the second heat exchanger is "configured as at least part of the first heat exchanger, and disposed inside part of the first heat exchanger." Referring to an example embodiment described in the specification, FIG. 2 illustrates a tankless heater 68 which fits within a chamber 125 of an intermediate section 112 of the first heat exchanger 105. This example embodiment is described for example in paragraphs 0022-0027 of the present specification. One of the benefits of this arrangement is that it can be made quite compact because the heat sources apply heat to not only to the first heat exchanger but also to the second head exchanger. This avoids the need for a relatively large reservoir of boiler water, overcoming a disadvantage described in paragraphs 006 and 007 of the present application.

Turning to Dillman, this reference shows a separate heat exchanger tube 5 having an internal coil 7. This heat exchanger tube 5 is shown spaced entirely away from the boiler 2 by a line 4. It will be appreciated that the arrangement of Dillman not only is less compact than the arrangement claimed in claim 15, but also does not benefit from direct heating from the boiler 2 being applied to the coil 9. Thus, it is respectfully submitted the presently claimed invention provides an improvement over the arrangement of Dillman.

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While claim 15 was not rejected based on Harris, it is noted that the Harris system also involves a separate tank for heat exchange having a relatively large volume which is disposed separate and apart from the boiler itself. Accordingly claim 15 is believed to not be taught nor suggested by Dillman or Harris whether taken singlely or in combination. The dependent claims are believed patentable at least for the reasons given above.

Continued separate examination of the dependent claims is respectfully requested.

In view of the foregoing, reexamination and allowance of the application is believed in order, and such action is earnestly solicited. Should the Examiner believe a telephone conference would be helpful in expediting prosecution of the application; the Examiner is invited to telephone the undersigned at 202-861-1696.

In the event this paper is not timely filed, Applicants petition for an appropriate extension of time. Please charge any fee deficiencies or credit any overpayments to Deposit Account No. 50-2036 with reference to Attorney Docket No. 87359.1502.

Respectfully submitted,

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